Top Secret

YUGOSLAVIA: Federal Leaders Mull Options

Serbian President Milosevic and the federal Army have responded to nationalist election victories in Croatia and Slovenia with warnings against actions that could threaten military or Serbian equities. Milosevic broke his silence last week with an implicit warning to Croatia not to jeopardize the ethnic Serbs in that republic and, for the first time, claimed to speak on behalf of Serbs outside Serbia. The federal Presidency on Friday strongly defended the Army's constitutional role and said it would counter any attempt to destroy the unity of the armed forces.

The recent statements by the Presidency, Milosevic, and the military clearly delineate their chief concerns about the new governments in Slovenia and Croatia but do not shut the door to negotiations. Senior military officers probably would urge intervention only in the event of major communal violence or if either republic were to move to replace formal institutions like the Army. Although Milosevic may share this caution, his maneuvering room could be limited by a surge of anti-Croatian sentiments among the increasingly nationalistic Serbs.

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